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SUBJECT: TURKEY-ISRAEL: NORTH-SOUTH ENERGY AND WATER LINKS

REF: ANKARA 5298 and previous

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[1](#)1. (SBU) Summary: Turkey and Israel announced ambitious plans for energy and water links, building on earlier announcements from both countries with Russia. This North-South energy corridor is intended to complement, not compete with, the East-West Energy Corridor. For Turkey, it is important that these linkages include northern Cyprus. The ideas are long-term and futuristic but could make a contribution Turkey's economic integration with the Middle East, as well as to reducing the isolation of northern Cyprus. End Summary.

Energy and Water Pipe-(Dreams)

[1](#)2. (SBU) In an October 14 meeting with econoff, the Israeli DCM confirmed a flurry of recent press about proposed "North-South" energy and water links arising from the recent visit of GOI Minister of Infrastructure Benjamin Ben-Eliezer to Turkey and the meeting of the Turko-Israel energy working group, and building from earlier high-level meetings in Jerusalem and Moscow. He confirmed that there was an agreement between Israel and Turkey to pursue the following initiatives (in order of likely probability and/or timing of realization):

-ELECTRICITY links between Turkey and Israel (and northern Cyprus, Jordan, and Palestine). The countries would study the possibility of transmission inter-connectibility, subject to EU UCTE technical restrictions and economic feasibility. As a first concrete step of energy cooperation, Turkey's Zorlu Energy Group and Israel's Solbar Industries announced plans to jointly build a gas-fired \$360 million power station in southern Israel.

-OIL links between and through Turkey and Israel (to carry oil to India and China). This is envisioned as an extension of Turkey's long-sought Samsun-Ceyhan Bosphorus oil bypass from the Black Sea (reftel). Ceyhan would be linked by tankers or pipeline to Israel, and then -- via the Ashekelon-Elat pipeline -- to the Red Sea (bypassing the Suez canal) to carry oil to Asia.

-WATER links between Turkey, Northern Cyprus, and Israel. Turkey recently announced that Turkey would build a 78 km water pipeline to the "Turkish Republic of Northern Cyprus" ("TRNC"), citing the Turkish Alarko group as champion. According to the Turks, the water pipeline is intended to ultimately serve regional, rather than only bilateral needs, facilitating linkages and efforts for settlement in Cyprus, and reduce the cost of an eventual pipeline to carry water from Turkey to Israel, Palestine, and Jordan. The Israel DCM admitted that there were economic challenges to making the project workable, given the probably lower cost of desalination. He also referenced the defunct white elephant water project in Manavgat in southern Turkey, which was based on original plans to collect water for Israel (he noted that, particularly given high oil prices, it was not economic to export water by tanker).

-NATURAL GAS links with Israel address Turkey's long-standing desire to re-export Russian gas, potentially from a burgeoning energy hub at Ceyhan, but are dependent on Russian support for re-export and a Samsun-Ceyhan natural gas link to the "Blue Stream" link. The Israeli official admitted that Israel did not have an acute need for gas, having signed a contract with Egypt, but Israel was interested in long-term diversification and was receptive to Turkey's strong support for this element of the North-South corridor. He emphasized that Turkey had struck expensive, non-transparent deals with Russia, and Israel would not subsidize these bad deals.

Comment - Pipelines for Peace and Prosperity

13. (SBU) Believing that Turkey's vision of North-South linkages must include northern Cyprus, the DCM thought U.S. assent would be necessary for such projects to move forward. Israel is game to support Turkey's commitment to Bosphorus bypass and links to "TRNC," in exchange for Turkish support for connections with Israel and its quest for diversification and Suez bypass alternatives. While aspects of the plans are futuristic and optimistic, there is an attractive element in linkages contributing to peace (although pipelines follow - and reinforce - peace, not vice versa). The broad and ambitious Turkey-Israel bilateral energy and water cooperation follows and builds on comparably ambitious Turkish-Russian MOU/wishlist, propounded at four Erdogan-Putin meetings over the past year.

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